



KNIGHTDALE BUDGET/FINANCE COMMITTEE MEETING MINUTES

950 Steeple Square Court, Knightdale, North Carolina 27545

March 16, 2011

The Knightdale Budget/Finance Committee met at 6:00 p.m. at Knightdale Town Hall, 950 Steeple Square Court, Knightdale, NC.

PRESENT: Mayor Killen, Mayor Pro Tem Chalk

ABSENT: Councilor Roberson

Staff Members Present Seth Lawless, Town Manager
James C. Overton, Finance Director
Joanna Gombatz, Accounting Operations Manager
Chris Hills, Planning Director

Meeting began at 6:00 p.m.

Approved minutes of March 7, 2011 Budget and Finance Committee meeting.

Town of Knightdale has received final bill for Hodge Road Siphon project form Park Construction. After paying this bill, the Utility Capital Project Fund will have approximately \$1,826,000 left over. There may still be a small outstanding invoice for engineering and inspection fees.

2010 Census shows Knightdale's population as 11,401. This is 992 less than State Office of Budget and Management estimates for 2009 of 12,393. Census numbers will be used to distribute State shared revenues including Powell Bill Funds. Based on current population, Powell Bill funds may decrease by about \$11,000 from \$287,000 to \$276,000 for 2011. Knightdale received \$294,806.64 in 2010.

Garbage collection contract with Waste Industries includes an annual increase based on the Consumer Price Index for May each year. CPI for December was 1.5%. CPI for February is 1.8%. Contract also includes a fuel surcharge if the price of diesel fuel rises above \$3.36 per gallon. Surcharge ranges from 48 cents at \$3.36 to 71 cents at \$4.00 per gallon. Current diesel prices are about \$3.80 per gallon – 65 cent surcharge.

The Town should increase garbage and recycling fees to customers based on CPI plus estimated fuel surcharge for FY 2012 budget. 1.5% CPI would equal a 20 cent increase in monthly garbage and recycling fees from \$13.65 to \$13.85. Knightdale currently has approximately 3,600 residential garbage customers.

Committee reviewed the proposed fee schedule for FY 2012. Most fees remain unchanged with a few minor increases. Recreation Department added fee for adult swim lessons. Planning Dept increased some fees. Fire Dept. increased fire alarm installation fee from \$75 to \$100 for buildings under 15,000 square feet. We will meet with City of Raleigh next week to discuss changes in water and sewer development fees.

City of Raleigh plans to increase water and sewer rates by 9% on July 1, 2011. We recommend that Town of Knightdale also increase rates by same 9%. Minimum water and sewer bill for 100 cubic feet of water will increase by \$1.93 per month from \$32.88 to \$34.81. Average water bill for 4,500 gallons or 600 cubic feet will increase by \$5.41 from \$71.53 to \$76.94. This includes 20 cent increase in garbage and recycling fees. This does not include proposed \$2.00 storm water fee.

Proposed storm water fee is \$2.00 per month for each residential house. Commercial customers will pay \$2.00 per 2,200 square feet of impervious surface (roof and parking lots). Average size of homes in Knightdale is 2,200 square feet. City of Raleigh cannot bill storm water fee on their new billing system. Raleigh can add \$2.00 flat fee to garbage bill each month, but cannot bill varying amounts to commercial customers based on square footage until FY 2013.

Town of Knightdale must begin mapping storm water and making improvements to contain storm water runoff per EPA regulations. FY 2012 budget includes \$60,000 for storm water mapping. The proposed budget delays storm water fee until next fiscal year and includes transfer of \$60,000 from General Fund to Storm Water Fund to pay for mapping. Storm Water Fund could repay General Fund in FY 2013 when storm water fee is implemented.

Mayor Killen suggested that the remaining balance of \$1,826,000 in the Sewer Capital Project Fund be divided as follows:

- \$750,000 to City of Raleigh to pay off merger agreement
- \$60,000 to Storm Water Fund for mapping
- \$200,000 to OPEB trust fund for retiree health care benefits
- \$816,000 remaining balance to General Capital Project Fund for construction of Knightdale Park.

Committee all agreed to Mayor Killen's plan.

Legal fees payable to Smith Moore Leatherwood by Holly Homes LLC will be discussed at Town Council Meeting.

Meeting adjourned at 7:00 p.m.



Committee Chairman



Town Manager